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URBAN WELFARE - TO - WORK TRANSITIONS IN THE 1990's : PATTERN IN SIX URBAN AREAS

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Acknowledgments

This report is a substantially revised and expanded version of an earlier report submitted under the title "Urban Welfare-to-Work Transitions in the 1990s: A First Look," December 1999. The current report differs from the earlier one in that it includes data from a sixth site (Chicago) not included previously, as well as data through 1999 from all sites, up to two additional years beyond that in the prior report. The period of TANF implementation is included, and the current draft considers both reforms prior to and following TANF. This report was revised by Peter Mueser, to whom inquires should be addressed. The project is overseen by David Stevens.

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Study Overview

The analysis here focuses on patterns of welfare use and employment for welfare leavers for central counties in each of the metropolitan areas of Atlanta, Baltimore, Fort Lauderdale, Chicago, Houston and Kansas City. We examine the extent to which economic growth and welfare policy interact to induce observed patterns.

Following a review of the literature on the determinants of the welfare caseload and employment of welfare leavers, we provide detail on the waiver provisions and related welfare reform activities occurring in each of the sites and their respective states, as well as information on how implementation of the 1996 federal reform legislation influenced state programs. In each of our sites, major welfare reform at the local or state level began well in advance of the implementation of the 1996 federal reform as the states received federal waivers permitting substantial deviations from AFDC rules. Among waiver provisions were the strengthening of work requirements--in some cases applied with special force to long-term recipients--restrictions on the length of time payments could be received, and requirements that recipients enter into agreements to achieve self-sufficiency. Under some reforms, recipients were provided with new services to aid them in obtaining employment, and those leaving the welfare rolls were eligible to retain certain benefits that would have been lost under earlier rules, such as medical care and child care assistance. Major changes in the administrative structures occurred as well.

We begin our quantitative analysis showing how unemployment rates and welfare caseloads varied across our sites over the period of our study. After an economic slowdown in the early 1990s, economic growth was brisk in each of our sites. Similarly, after a period of growth in most sites, caseloads declined substantially. Rates of decline have further accelerated since implementation of TANF. There are, however, substantial differences across sites. From their peaks, overall declines varied from 44 percent for Kansas City to 88 percent for Fort Lauderdale. The patterns of decline suggest that administrative differences played a critical role, since sites with the greatest declines in welfare are not necessarily those with the strongest economies.

We then examine what role changes in flows of entry into welfare and exit from welfare played in caseload declines. In all sites, we observe increases in the rate of exit for recipients and declines in the number of people entering welfare. We also look separately at exit rates for those who had received welfare for at least two consecutive years. In all sites, such long-term recipients were less likely to leave welfare than others, but the increases over the 1990s in rates of exit were proportionally greater. While it has been suggested that caseload declines would produce an increasing concentration of long-term recipients among those remaining, the proportion of recipients who have received welfare for more than two years has generally declined in our sites, with the decline particularly notable in the period 1998-1999.

If the emphasis placed on moving welfare recipients into employment was reflected in actual reform implementation, we would expect that increasing numbers of welfare leavers would obtain employment in recent years as caseloads declined. We therefore examine the proportion of those leaving welfare who were employed in the quarter immediately after their last welfare payment. While there are some differences across sites, we find that employment rates of welfare leavers have grown in all the sites. Given the strong economy over this period, we cannot assure that this increase is a result of state policies, but the trend does suggest that employment is at least associated with the caseload decline. On the other hand, in Atlanta, it appears that policy changes instituted with TANF may have substantially reduced employment of welfare leavers. In both Atlanta and Fort Lauderdale, among those who had jobs after leaving welfare, it appears that a substantial proportion experienced a period of nonemployment after exiting welfare.

It is clear that, at most sites, the decline in caseloads occurred at the same time that welfare-to-work transitions occurred in increasing numbers. On the other hand, the drastic declines in Fort Lauderdale over the 1990s, as well as policy shifts occurring in Atlanta following federal welfare reform, may have led to an increase in the number of former welfare recipients facing employment difficulties.

Introduction

The last decade has seen extraordinary changes in the programs supporting indigent parents and their children in the U.S., popularly known as welfare. From its inception in the 1930s through the 1960s, federal Aid to Families with Dependent Children (AFDC) operated on the implicit assumption that a mother's primary job should be caring for her children. With greater labor force participation by women and increased acceptance of working mothers, public opinion has gradually shifted away from this view in recent decades, with an increased emphasis on work as an alternative to welfare.

Although the Work INcentive Program (WIN), incorporated into AFDC beginning in 1967, attempted to give recipients access to state job service support, its implementation provided few concrete benefits and little incentive for recipients to participate in the labor market. A major step toward increasing labor market involvement of recipients was marked by passage of the Family Support Act of 1988, which required states to develop job training programs that would serve a substantial proportion of AFDC recipients with a broad array of services. Funding was quite limited, however, and the economy entered a recession shortly after its implementation. Changes to an employment-focused system culminated with passage of the federal Personal Responsibility and Work Opportunity Reconciliation Act in 1996, which replaced AFDC with Temporary Assistance for Needy Families (TANF). The new legislation specified explicit work requirements for participants as well as limitations on the length of time aid could be received. Equally important, the legislation no longer treated aid as an entitlement for families meeting certain eligibility requirements but instead allowed states to provide aid in accord with a wide variety of program structures.

These legislative benchmarks provide only a rough indication of the changes occurring in the effective administration of aid programs, however. In the 1990s, under federal waivers, many states developed programs that modified the basic structure of AFDC, imposing increasingly stringent work and training requirements on aid recipients. In addition, legislation as well as policy and administrative directives in many states have shifted program emphasis away from provision of aid to families and toward finding employment alternatives to public assistance. Bureaucratic change has accelerated as states develop programs under the 1996 federal reform (Nathan and Gais, 1999).[1]

National patterns of aid receipt suggest that unprecedented changes have occurred since the early 1990s. After moderate increases through most of the previous two decades, for the most part tracing the growth of the U.S. population, the number of families receiving aid under AFDC/TANF had reached 4.0 million by 1990. In the next four years, the caseload reached a peak of 5.0 million and then began a decline, falling to 3.9 million in 1997 and 2.6 million in 1999, a level not seen since 1970.[2]

An extended literature uses data across states and over time to examine the relative importance of economic growth and policy in explaining the welfare caseload.[3] Particular attention has been focusing on the 1990s. Caseload changes through 1996 have been difficult to explain, and there has been some controversy as to the importance of economic and administrative changes (Blank, 1997; Council of Economic Advisors, 1997; Martini and Wiseman, 1997; Figlio and Ziliak, 1999; Moffitt, 1999; Wallace and Blank, 1999; Bartik and Eberts, 1999; Mueser et al., 2000; Ribar, 2000; Ziliak et al., 2000). However, it seems clear that the implementation of federal welfare reform, passed by Congress in 1996, has had a larger impact on caseloads (Council of Economics Advisors, 1999).

There have been only very limited analyses that focus on the dynamics underlying the caseload, considering separately factors influencing flows onto and off of welfare (Blank and Ruggles, 1994; Gittleman, 2000; Klerman and Haider, 2000). Attempts to identify the impacts of different kinds of policies have met with some success (Hofferth et al., 2000; but see Gittleman, 2000). Recipients appear to respond in predictable ways to time limits (Moffitt and Pavetti,2000; Grogger, 2000, 2001). Studies also show that welfare-related policy changes have been associated with increases in labor force participation (Bishop, 1998; Moffitt, 1999) as well as increases in earnings, declines in

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[1]See Brueckner (2000) for a discussion of the impact of the 1996 welfare reform on state incentives, and the possibility that concern for migration of potential recipients would shape state policies.

[2]Families receiving AFDC or TANF, computed as the average monthly level (Department of Health and Human Services, 2001).

[3]See Mayer (2000) for a review of the literature that examines the determinants of the welfare caseload. Studies of particular interest focusing on the period prior to the 1990s include Peskin (1993) and Black et al. (1999).

poverty and increase in marriage rates among those most likely to be eligible for welfare (Schoeni and Blank, 2000).

While data from the 1970s and 1980s suggested that employment was of relatively little importance in explaining why individuals left the welfare rolls (Bane and Ellwood, 1983; O'Neill et al., 1987), recent work suggests that it plays an important role. In part, this reflects the fact that recent studies have used a shorter time frame to measure welfare exits (employment may play a greater role in predicting temporary exits), and also possibly to changes over time in the role of employment (Blank, 1989; Harris, 1993; Hoynes, 1996). It remains an open question, however, how successful welfare reforms will be in assuring that former welfare recipients move into employment and self-sufficiency. As caseloads decline, it is clear that many of those leaving welfare include long-term recipients and others with substantial barriers to obtaining employment (Kalil et al., 1998), and that wages in the jobs available to them will be low (Lawson and King, 1997).

There are a number of recent attempts to determine the employment experiences of those leaving welfare in the 1990s (Brauner and Loprest, 1999; Loprest, 1999; Parrott, 1998; Cancian et al., 1999; Tweedie et al., 1999; Ribar, 2000). It is clear that a large share of welfare leavers is employed. While their average wages are low, their labor market experiences are highly heterogeneous. Some appear to be appreciably better off than they were while receiving welfare, while others are appreciably worse off. The most important shortcoming of these studies is that they do not provide comparisons before and after welfare reform of the experiences of those leaving welfare, so that it is not possible to infer the impact of policy changes or the economy on those experiences. Given the substantial turnover in welfare receipt, those leaving welfare will tend to be individuals with the most attractive outside opportunities. Examining how families' circumstances after leaving welfare compared with their own prior welfare experience tells us little about the impact of welfare policies. It is necessary to examine how the experiences of those leaving welfare under different policy regimes compare.

Loprest (2000) provides the best study of the impact of policy on welfare leavers' employment, comparing a cohort of welfare leavers prior to implementation of TANF (1995-1997) with a cohort leaving since implementation (1997-1999). These results suggest that those exiting since TANF implementation have slightly better employment experiences than prior recipients. However, because the sample is national, there is little way to determine how state differences affected results, and the time period precludes a comparison of TANF reforms with those occurring under waivers in the early and mid-1990s.

The current study examines the dynamic structure of AFDC/TANF participation and the labor market involvement of participants starting in the early 1990s through 1997 in the core counties containing Atlanta, Baltimore, Chicago, Fort Lauderdale, Houston, and Kansas City.[4] All these cities displayed a recent decline in welfare caseloads, broadly consistent with the national trend. The first objective of this analysis is to identify the flows onto and off of welfare that have produced these changes. Our analysis also considers how long-term aid recipients have fared in this recent period and whether they are subject to high rates of exit from the rolls.

We also examine the employment experiences of welfare recipients during this period. One might expect that the increasing concern with employment of welfare recipients would have been associated with higher employment levels. On the other hand, many administrative changes may have had the effect of discouraging individuals from continuing to receive public assistance even when their employment opportunities were very limited. Our analysis will allow us to examine whether observed increases in the exit rates from welfare are associated with declines or increases in employment of those leaving.

By focusing on six major cities, we can examine the extent to which differences in state and local policy and administrative directives and local labor market conditions contribute to observed trends. It is widely acknowledged that policy and administrative changes designed to move families from the rolls have been facilitated by a growing economy. Comparison across cities will allow us to begin to understand mechanisms inducing change and the interaction between labor market conditions and government action.

Our work follows that of King and Schexnayder (1988), King et al. (1991), Lane and Stevens (1995, Forthcoming) and Lane et al. (1997), who have used administrative data on employment and AFDC participation in Texas and Maryland to examine the dynamics of welfare and work. The research reported here is unique in that it focuses

[4]Our statistics on welfare receipt apply to the county, whereas unemployment rates are based on the metropolitan area, which includes additional counties.

on how dynamics have shifted over this recent period of extraordinary policy and program change in six large geographically distinct metropolitan areas.

We next describe our data sources and the details of our approach. We then turn to a discussion of the policy context, specifying state and local policy and program changes occurring in the 1990s over the period of our study. The following section describes our results and the final section summarizes and spells out implications.

Data Sources and Approach

Our data pertain to AFDC/TANF cases in a central county in six metropolitan areas: Fulton County, GA (Atlanta); Baltimore City, MD;[5] Cook County, IL (Chicago); Broward County, FL (Fort Lauderdale); Harris County, TX (Houston); and Jackson County, MO (Kansas City). In each case, the county contains all or almost all of the central city population. With the exception of Baltimore, the county also contains substantial population outside the central city, although a large share of the county's welfare recipients reside in the central city. The proportion of the metropolitan population included in the central county varies from less than one-fifth (for Fulton County in the Atlanta Metropolitan Area) to nearly three-quarters (for Harris County in the Houston Metropolitan area). Although we will follow the convention of referencing each site by the name of its central city, all information on welfare participation applies to the central county, unless explicitly noted otherwise.

We have limited our focus to families headed by females aged 18 but less than 65 who received AFDC-Basic or TANF cash payments.[6] The unit of analysis can be viewed as the family or as the case head, who is the mother or female payee. We omit those who received only noncash benefits even if they were listed as AFDC or TANF recipients. We have aggregated monthly benefit payments to quarterly totals, so that anyone who received payments in any month in a quarter is counted as receiving payments in that quarter. This allows greater comparability with quarterly earnings data and smooths over some of the administrative churning in the welfare data.

Because administrative practices regarding the archiving of data differ across states, the period of coverage for our sites varies somewhat. Data for Baltimore and Kansas City are available beginning in 1990, Atlanta and Houston in 1992, Fort Lauderdale in 1993, and Chicago in 1995. In all sites, welfare data extend through 1999.

In order to examine the employment experiences of welfare recipients, we obtained quarterly total earnings for all individuals in jobs covered by unemployment insurance (UI) in the state, matching these to the records of AFDC/TANF recipients. For the

[5]Baltimore City is a county equivalent unit.

[6]These selection criteria omit all men as well as men and women who received aid as part of the AFDC-Unemployed Parent program.

analysis of Kansas City, both Missouri and Kansas earnings data were used. The vast majority of employment in each state is covered by these data, although illegal employment, self-employment, and several classes of nonprofit and federal employment are not covered. The files also fail to identify employment for individuals who left the state. Out-of-state employment for residents is not significant, except in Kansas City, where Jackson County residents often have jobs across the border in Kansas.

Finally, as an indicator of the general economic climate in the region, we have quarterly information on unemployment for the primary metropolitan area. Our decision to use the metropolitan area rather than the county stems from our concern that our measure of the local economy not be influenced by welfare policy. Whereas unemployment for a single county might be influenced by an influx of former welfare recipients as well as intrametropolitan mobility and resulting local demographic changes, such effects will be much smaller at the level of the metropolitan area.

As noted above, our measure of welfare receipt is measured quarterly, so that those receiving any cash payment for any month in the quarter are viewed as recipients. Given monthly turnover, the caseload measured this way for a given quarter will be slightly greater than the highest monthly caseload. In examining movements onto and off of welfare, we define an individual as leaving welfare in a given quarter if she received welfare during that quarter but not during the following quarter. Similarly, an individual is defined as entering welfare if she was not receiving welfare in that quarter but was receiving welfare in the following quarter. This structure implies that caseload can be identified as changing according to the equation of motion:

$$\text{Caseload}(T+1) = \text{Caseload}(T) - \text{Exits}(T) + \text{Entries}(T)$$

where Exits(T) and Entries(T) are defined by comparison between quarter T and quarter T+1. The rate of exit is calculated as Exits(T)/Caseload(T), so that it indicates the chance that an individual receiving welfare in quarter T receives no welfare in the following quarter. In order to examine exit rates for long-term recipients, we defined the exit rate analogously for all individuals who had received welfare payments continuously for two years.

To consider the extent of welfare recidivism, we looked at trends in the numbers of those entering welfare (i.e., who received welfare in a given quarter but not the prior quarter), but who had also received welfare payments at any point in the prior eight quarters. Our determination of prior welfare experience is limited to the same county, since we did not identify those who had received welfare elsewhere.

Our measure of the rate of employment for welfare leavers is the proportion receiving earnings in quarter T+1 among those who received welfare payments in quarter T but not in quarter T+1. As indicated above, our measure of earnings is limited to employment within the state (or two adjoining states in the case of Kansas City) that is reported to the state unemployment insurance system. This measure includes both individuals who obtained jobs prior to or immediately after leaving welfare as well as some individuals who left welfare but found a job only after an extended period of unemployment. While this measure indicates the extent to which welfare leavers obtain jobs, the latter group does not appear to be drawn from welfare by employment opportunities. To examine this issue, we obtain a count of those receiving welfare in quarter T but not T+1 who were employed in T+1 but not T. Such individuals are almost sure to experience a "support gap" between ending welfare receipt and receiving their first earnings. The measures we used to identify welfare dynamics are summarized in Table 1.

TABLE 1: SUMMARY OF MEASURES OF WELFARE DYNAMICS

Caseload at quarter T is defined as the total number of families (or case heads) receiving AFDC/TANF payments and fitting our selection criteria, at any point during the quarter.

Exits for quarter T is defined as the number of individuals who received payments in quarter T but not in T+1.

Entries for quarter T is defined as the number of individuals who received welfare payments in quarter T+1 but not in T.

Exit rate is the number of exits at quarter T divided by the caseload in quarter T.

Exit rate for long-term recipients is defined as above but applies to individuals who had been receiving welfare payments for at least two years continuously.

Employment rates of Welfare Leavers is the number of individuals leaving welfare in quarter T and receiving earnings during quarter T+1 divided by the number of individuals leaving welfare at T.

Welfare exit rates for employed recipients is the number of individuals leaving welfare in quarter T and receiving earnings in quarter T+1 divided by the number receiving welfare in quarter T and receiving earnings in quarter T+1.

Proportion with support gap is the proportion not employed in T among those employed in T+1 and who exited welfare in T.

The Policy Context

Between the late 1980s and 1999, the U.S. welfare system was transformed from a unified structure, allocating cash and in-kind payments according to specified rules, to a set of state programs designed to focus on providing aid in obtaining employment and transitional financial support. Although the WIN program, in effect in various forms since 1967, required states to set up programs designed to aid welfare recipients in obtaining employment, in practice, funding was very limited and only a small number of recipients received even low-intensity services. Despite some differences across states, including very large differences in grant levels, federal AFDC rules led states to emphasize complex eligibility requirements, often creating bureaucratic obstacles to recipients who wished to obtain employment (Bane and Ellwood, 1994, chapter 1).

Passage of the federal Family Support Act of 1988 established the JOBS program, which for the first time required that states provide employment-related services to a substantial share of welfare recipients. However, major program changes did not occur until the 1990s, when many states were granted federal waivers that allowed them to operate programs under modified AFDC rules. Passage of the federal Personal Responsibility and Work Opportunity Reconciliation Act in 1996 provided a complete overhaul of welfare, signaled clearly by the elimination of AFDC and its replacement with a new program, Temporary Assistance for Needy Families (TANF). In large part, this legislation completed the process of transferring to the states the power to design their own welfare systems, abolishing the AFDC entitlement and replacing federal-state cost sharing with federal block grants. The new system did, however, carry with it a number of important restrictions, including work requirements for recipients and lifetime limitations on welfare receipt.

In addition to policy changes that focus explicitly on welfare, general changes in the social climate, perhaps associated with a major change in the Congressional leadership in Washington, occurred in the 1990s. The most clearly relevant policy change was the dramatic expansion in the Earned Income Tax Credit during the 1990s, which increased incentives for low paid individuals to participate in the labor force. Recent studies suggest that a portion of the decline in the welfare caseload was due to this as well as to expansions of the Medicaid program (Meyer and Rosenbaum, 1999a, 1999b; Ellwood, 1999; Grogger, 2001).

Table 2 provides a chronology for each of our sites, identifying statutory policy or administrative changes in our sites' welfare programs from 1991 through 1997. Listed changes reflect statewide programs as well as local policies, programs, or administrative actions that may have affected welfare receipt in each of the sites. For several of our sites, changes in the rules prior to 1991 may have influenced the tone of the system, and these are listed in the table as well. By the end of 1997, the TANF program was in effect in all our sites; we discuss changes in policy associated with the implementation of TANF separately below.

It is clear that there are substantial differences in the timing of changes across sites. There were no important changes in the program in Baltimore until October 1995, when state welfare reform occurred. In contrast, Atlanta had been affected by state welfare reforms in 1986 and again in 1993. The welfare program in Fort Lauderdale underwent major changes in 1991 and 1992, including both the initiation of a new program and the movement of the program from one state agency to another, which probably disrupted services. In Houston, a variety of administrative and related changes occurred throughout the 1990s, although the most important changes probably occurred in March of 1996, just eight months before TANF was implemented.

Although it provides some indication as to the extent of program changes, the identification of particular milestones may be somewhat misleading in those cases where changes were largely continuous. For example, although the federal JOBS program was initiated in Kansas City in 1991, it initially served only a small number of clients, expanding dramatically over the next two years. Similarly, the Twenty-First Century Program, initiated in Kansas City in 1994 with a federal waiver, would have had its primary impact as it expanded over the next two years.

Although state policy changes prior to the 1996 federal welfare reform were of substantial importance, in most of our sites, implementation of the TANF program was associated with major additional program changes. Most states passed new legislation to implement TANF reforms, often further strengthening work requirements or imposing more stringent time limits. An exception among our sites is Kansas City. In contrast to most states, Missouri enacted no major legislation to facilitate implementation of the 1996 federal welfare reform, so program changes necessary to make Missouri's welfare program consistent with the federal law were made at the administrative level, and these are less significant than those at our other sites.

Table 2. Legislative and Administrative Changes Affecting Welfare Programs at Study Sites

	Prior to 1991	1991	1992	1993
Atlanta	*1986:* Positive Employment And Community Help Plan, providing education, transportation, child care.		*November:* Statewide waiver granted for child support enforcement.	*November:* Personal Accountability and Responsibility Project waiver granted, strengthening work requirements, setting family cap, allowing more earnings and Medicaid benefits to be retained for those working.
Baltimore			*June:* Statewide waiver granted for child support enforcement.	
Chicago	*1986:* Employment initiative implemented under WIN. *1989:* Self-Sufficiency Demonstration waiver. *1990:* JOBS implemented			*November:* Work Pays program implemented, increasing earnings disregard, related reforms.
Fort Lauderdale	*1986:* Project Independence replaces welfare system.	*January:* Hiring freeze at Department of Health and Rehabilitative Services disrupts program. *October:* Changes in job readiness criteria. Caseload reduction measures initiated.	*July:* Florida Department of Labor and Employment Security assumes responsibility for Project Independence, with transition adversely affecting program services.	
Houston	*1990:* Job Opportunities in the Business Sector initiative begins. Transitional child care and Medicaid benefits begin. Federal JOBS program implemented.	*April:* Child Care Management System offers improved access to child care.		
Kansas City		*July:* Federal JOBS program implemented.		

	1994	1995
Atlanta		*July:* Inception of WORKFIRST, focused on income assistance for employment and job diversion. *October:* Second waiver approved, providing income disregards and allowing vehicle ownership for commuting. New work requirements applied to those receiving welfare in 24 of previous 36 months.
Baltimore		*October:* Family Investment Program implemented, with up-front job search requirements and child support provisions.
Chicago		*October:* JOBS work exemptions and sanctions become more stringent.
Fort Lauderdale		
Houston		*July:* Statewide waiver granted for child support enforcement. *September:* JOBS and Food Stamps transferred from Department of Human Services to newly created Texas Workforce Commission. *October:* JOBS programs shifts to work-first orientation.
Kansas City	*June:* 21st Century Program initiated (federal waiver), focusing efforts on employment for welfare recipients. *October:* Missouri welfare reform bill (HB 1547) formally takes effect, requiring JOBS participation and signing of self-sufficiency pacts for most welfare recipients, allowing increased asset ownership, increasing efforts to determine paternity, requiring minor parents to live with parents, and providing for wage supplementation. Initially there is little effective enforcement of these provisions.	Wage supplementation and job placement program develop as unified system throughout the year. *April:* Statewide waiver granted specifying work requirements, increasing work incentives, and facilitating child support enforcement. *June:* First participants enrolled in self-sufficiency pacts.

	1996	**1997**
Atlanta	*August:* Work requirement strengthened (exemption requires child age one or less rather than three or less).	*January:* TANF implemented. *March:* State welfare reform passed with four-year cash assistance maximum, family cap, work requirements. *July-August:* Georgia Work connection, collaboration between DHR, U.S. Dept. of Labor and state training agencies signals expansion of welfare-to-work efforts. *August:* TANF recipients dropped if they failed to sign personal responsibility agreement.
Baltimore	*August:* Statewide waiver granted specifying work requirements, increasing work incentives. *October:* Welfare avoidance grants and child care only provisions implemented to aid working parents. *December:* TANF implemented	
Chicago	*February:* New time limit (24 months) becomes effective but only applies to those with oldest child at least age 13.	*July:* TANF implemented.
Fort Lauderdale	*June:* Statewide waiver granted for child support enforcement. *October:* TANF implemented. Work and Gain Economic Self-Sufficiency (WAGES) becomes effective statewide specifying restrictive work activity requirements, two-year aid limit in any five-year period, and four-year lifetime limit.	*October:* Local workforce coalition established in Broward County.
Houston	*March:* Statewide waiver granted specifying work requirements, time limits, increasing work incentives. *April:* Child care programs transferred from DHS to TWC. *November:* TANF implemented. *December:* State time limit implemented.	*November:* Texas Works diverts applicants to work and community services. *December:* Welfare applicants must attend workforce orientation.
Kansas City	*November:* New rules require that JOBS clients called to participate must respond within five days or face sanctions. *December:* TANF implemented.	*February:* Post-employment case management developed. *July:* Case worker specialization instituted. *October:* Further training to shift case worker emphasis to employment. *December:* Work-first approach adopted in JOBS.

Source: Based on state and local administrative directives and interviews with government officials.

In order to indicate the extent of changes associated with TANF implementation, Table 3 compares ten categories of regulations in effect in July 1996, prior to TANF implementation in our sites, to those in July 1997, subsequent to implementation. Where substantial changes occurred, these are highlighted in the table.

Column 1 shows that differences between the sites in payment levels that existed under AFDC were not substantially altered by TANF implementation. For a mother with two dependent children, the maximum benefit levels in 1999 for families with no other resources were as follows: Atlanta, $280; Baltimore, $399; Chicago, $377; Fort Lauderdale, $303; Houston, $188; and Kansas City, $292. Except in Baltimore, where a 10 percent increase in benefits occurred between 1996 and 1999, these levels have remained essentially unchanged in nominal terms since 1990. In real terms, maximum benefit levels have dropped in all sites. Columns 2 and 3 show that the initial eligibility thresholds and the earned income disregard change in only two of the sites, Baltimore and Fort Lauderdale, whereas in Chicago changes from AFDC rules had occurred under waivers. Notably, in three of the sites, the rules remained as they had under AFDC.

All sites experienced changes in time limits with the implementation of TANF (column 4). TANF imposed a five-year lifetime limit on welfare receipt, and none of the sites previously had this kind of limitation. In Florida, substantially more restrictive time limits were imposed than at other sites, while in Texas, additional restrictions were imposed in the year following TANF implementation.[7]

All sites show substantial changes in the child age exemption from work or training requirements (column 5). In all states, prior to TANF implementation, a mother with a child under age 3 was not required to participate in work or training programs. In three of our sites, this figure declined to 12 months, and in Fort Lauderdale to 3 months. In Missouri, there was no decline with TANF implementation, although the age did decline in the following year; in Texas the age actually increased.

[7]In the year prior to TANF implementation, Illinois imposed restrictive time limits, but these applied only to cases where the youngest child was at least age 13.

TABLE 3. CHANGES IN WELFARE RULES ASSOCIATED WITH TANF IMPLEMENTATION AT STUDY SITES

		Maximum Monthly Benefits (Family of 3)	Initial Eligibility Threshold	Earned Income Disregard	Time Limit (months)	Youngest Child Age for Working Exemption (month)	Most Severe Sanction	Asset Limits	Vehicle Exemption[2]	Diversion Pay[3]	Fam Cap[4]
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Atlanta	Pre-TANF	$280	$514	AFDC [1]	none	36	adult share, 6 mo.	$1000	$1500	no	yes
	1997	same	same	same	**60**	**12**	**total grant, perm.**	same	**$4650**	no	yes
Baltimore	Pre-TANF	$373	$607	AFDC [1]	none	36	adult share, 6 mo.	$1000	$1500	no	yes
	1997	**$377**	**$471**	**26%**	**60**	**12**	**total grant, indef.**	**$2000**	**1 vehicle**	**yes**	yes
Chicago	Pre-TANF	$377	$467	66.7%	none [5]	36	adult share, 6 mo.	$1000	$1500	no	yes
	1997	same	same	66.7%	**60** [5]	**12**	**total grant, 3 mo.**	**$3000**	**1 vehicle**	no	yes
Fort Lauderdale	Pre-TANF	$303	$574	AFDC [1]	none	36	adult share, 6 mo.	$1000	$1500	no	no
	1997	same	**$806/ $393***	**$200 + 50%**	**24/48** [6]	**3**	**total grant, 3 mo.**	**$1000/ $2000**	**$1500/ $8500***	**yes**	**yes**
Houston	Pre-TANF	$188	$400	AFDC [1]	none	36	adult share, 6 mo	$1000	$1500	no	no
	1997	same	same	same	**60** [7]	**60/48***	same	**$3000**	**$4650**	no	no
Kansas City	Pre-TANF	$292	$558	AFDC [1]	none	36	adult share, 6 mo	$5000	1 vehicle	no	no
	1997	same	same	same	**60**	**36/12***	same	same	same	no	no

Table 3 Notes.

*The rule was different in 1997 and 1998; both rules are shown.

[1]AFDC rules are $120 and 33.3% of remainder for first 4 months, $120 next 8 months, $90 thereafter.

[2]All pre-TANF values are equity in vehicle. Values for Atlanta and Houston in 1997 are fair market value; the values for Fort Lauderdale are equity values. The 1997 value for Atlanta requires that the vehicle be used for work or transportation to work or school; otherwise the value is $1500.

[3]Diversion payments provide funds in lieu of welfare to help families facing short term crises.

[4]The Family Cap limits incremental payments for those who have additional children while they are receiving welfare payments.

[5]In February of 1996, Illinois instituted restrictive time limits (24 months) that applied only to those with children 13 or over. By 1998, families with earned income and 20 hours per week of work faced no time limits.

[6]Florida imposes a 24-month time limit in any five year period and a 48-month lifetime limit.

[7]Texas imposed more stringent time limits in September 1997 (12, 24 or 36 months, depending on recipient circumstances).
Sources: Rowe (2000); time limit information also from Crouse (1999)

The other listed categories differ across sites, with changes generally implying more severe penalties for undesired behaviors (sanctions increase, a family cap is imposed) but also greater reward for work by allowing recipients to keep more of their earnings and to maintain higher asset levels. Florida's TANF implementation is associated with the most changes, and it appears that it imposes the most severe restrictions on recipients. However, it does allow recipients to retain a larger share of their earnings than do other sites (the first $200 of earnings and 50 percent of the remainder is disregarded[8]), and it uses diversion payments to discourage new recipients. Maryland, which also had substantial program changes with TANF implementation, generally applies less restrictive rules, although recipients do not have the same level of benefit disregard. As might be expected, given Missouri's legislative inaction, the implementation of TANF in Missouri had smaller effects on the program than in the other sites. With the exception of time limits and child age limits for work exemptions, Missouri's rules changed little with TANF.

[8]The 66.7 percent disregard in Illinois is less generous than the Florida structure for almost all recipients, since eligibility requires relatively low levels of earnings.

Results

A. Labor Markets

Unemployment rates for all six areas are presented in Figure 1. Since our concern is with general economic conditions in the relevant labor market, these figures pertain to the primary metropolitan area, not just the central county that is our focus. In all six areas, the data suggest very healthy economic growth since the early to mid-1990s. Atlanta and Kansas City appear to have the tightest labor markets through most of the 1990s, both with unemployment rates dipping below 4 percent in the period 1997-1999. Unemployment rates in Chicago averaged about a half a percent higher than these, while the remaining sites were about a point higher. In Baltimore, until 1997, the recovery was not as pronounced as in the other sites, but in the last two years of our data, unemployment rates there have declined substantially, reaching 3.5 percent. In contrast to Baltimore, most sites experienced modest further declines in unemployment, or steady unemployment, in the 1997-1999 period. The exception was Houston, where unemployment increased by more than one percentage point in the last year of our data. In short, while all areas have enjoyed economic growth, there are substantial inter-area differences that could influence the experiences of AFDC/TANF recipients.

B. Trends in Caseload

Figure 2 graphs the welfare caseload over the 1990s for each area.[9] For four of our sites, the caseload increases from its level at the start of our period to a peak in the early to mid-1990s, followed by a decline to the current level. For Houston, we identify two local peaks, one at the beginning of our data series, in the second quarter of 1992, and a second only slightly lower one in the first quarter of 1994, followed by a decline to the present level. Although we do not have comparable data for prior periods, trends in the state suggest that these peaks are close to the maximum caseload. In Chicago, the maximum caseload in our data occurs in the first quarter for which we have data, the

[9]Note that here and in other figures combining counts from different sites, the scale for Atlanta, Kansas City, and Fort Lauderdale differs from that for Baltimore, Chicago, and Houston. In contrast, those figures that present rates use a common scale for all sites.

FIGURE 1. UNEMPLOYMENT RATES FOR SIX MSAS

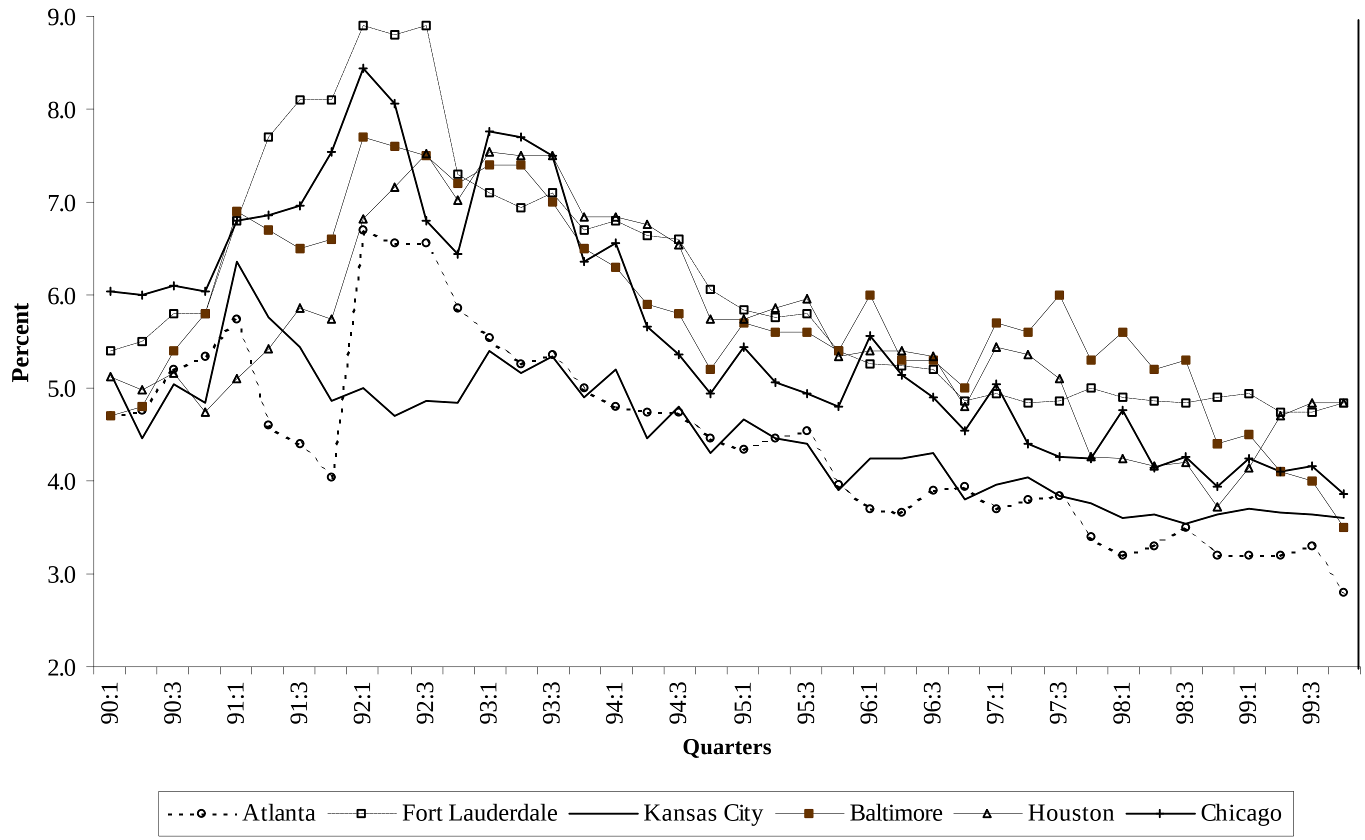
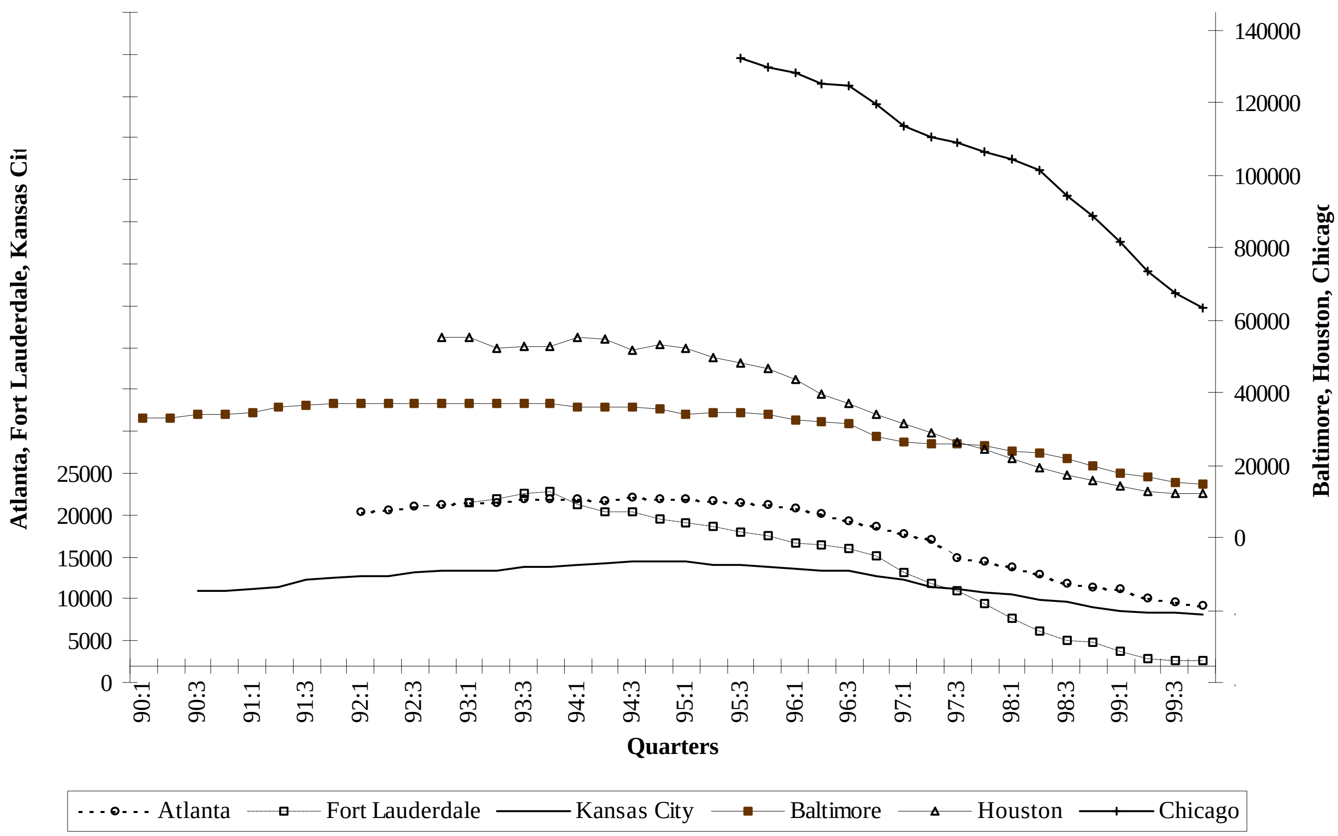


FIGURE 2. BASIC WELFARE CASELOADS



third quarter of 1995. Data for the state of Illinois suggests that this level may be substantially below the peak caseload.[10]

Table 4 provides caseload size at specified points in time, underscoring the differences between sites. Fort Lauderdale's caseload displays the greatest reduction, declining 59 percent from the peak to 1997, and 71 percent from 1997 to 1999. The declines for Houston are only slightly smaller. Declines for Atlanta, Baltimore, and Kansas City are smaller but still substantial. It appears likely that Chicago would appear similar to these three if we had data for the period of the early 1990s.

C. Welfare Entry and Exit Rates

Figure 3 graphs the number entering welfare while Figure 4 graphs the number of exits. The difference between them for any one site is the change in the size of the caseload.

The trend in the number of entries is clearly declining at all sites. The decline is smallest for Atlanta and Baltimore, which show 22 and 25 percent decreases in the number of entries, respectively, over the period for which we have data. The decline is 30 percent for Kansas City, but it is more than 50 percent for Chicago and Houston and is 78 percent for Fort Lauderdale.

There is no monotonic trend in the number of exits from welfare, as indicated by Figure 4, since several sites have increases and then declines in exits. Of course, the number of exits is the product of the caseload and the exit rate, so that increases in the exit rate--the behaviorally interesting measure--are hidden by the large caseload declines. Figure 5 graphs the exit rate over the period, which indicates the proportion of recipients exiting welfare each quarter. The time trend is strongly positive for each site, although substantial differences exist among the sites.

The lowest exit rates appear to be in Atlanta, Baltimore, and Chicago. Up through 1994, Atlanta and Baltimore had exit rates that averaged around 7 percent, increasing gradually and matching Chicago with average rates around 8 to 9 percent through the

[10] See Lee et al. (2000). If the trend for Chicago's caseload corresponds to that for Illinois, the data they present suggest that the actual peak may be about 10 percent above our starting caseload figure and that it occurred at some point in 1994.

TABLE 4. WELFARE CASELOAD TRENDS IN SIX AREAS

	Initial		Maximum			Fourth Quarter 1997		Fourth Quarter 1999	
Area	**Quarter**	**Caseload**	**Quarter**	**Caseload**	**Change from Initial**	**Caseload**	**Change from Maximum**	**Caseload**	**Change from 1997**
Atlanta	92:1	20,462	94:3	22,032	7.7%	14,474	-34.3%	9,188	-36.5%
Baltimore	90:1	32,753	92:3	37,291	13.9%	25,186	-32.5%	14,859	-41.0%
Fort Lauderdale	93:1	21,461	93:4	22,853	6.5%	9,408	-58.8%	2,716	-71.1%
Chicago	95:3	132,345	95:3	132,345	0.0%	106,548	-19.5%	63,283	-40.6%
Houston	92:4	55,329	92:4	55,329	0.0%	24,397	-55.9%	12,244	-49.8%
Kansas City	90:3	10,890	94:3	14,560	33.7%	10,847	-25.5%	8,140	-25.0%

FIGURE 3. NUMBER ENTERING WELFARE

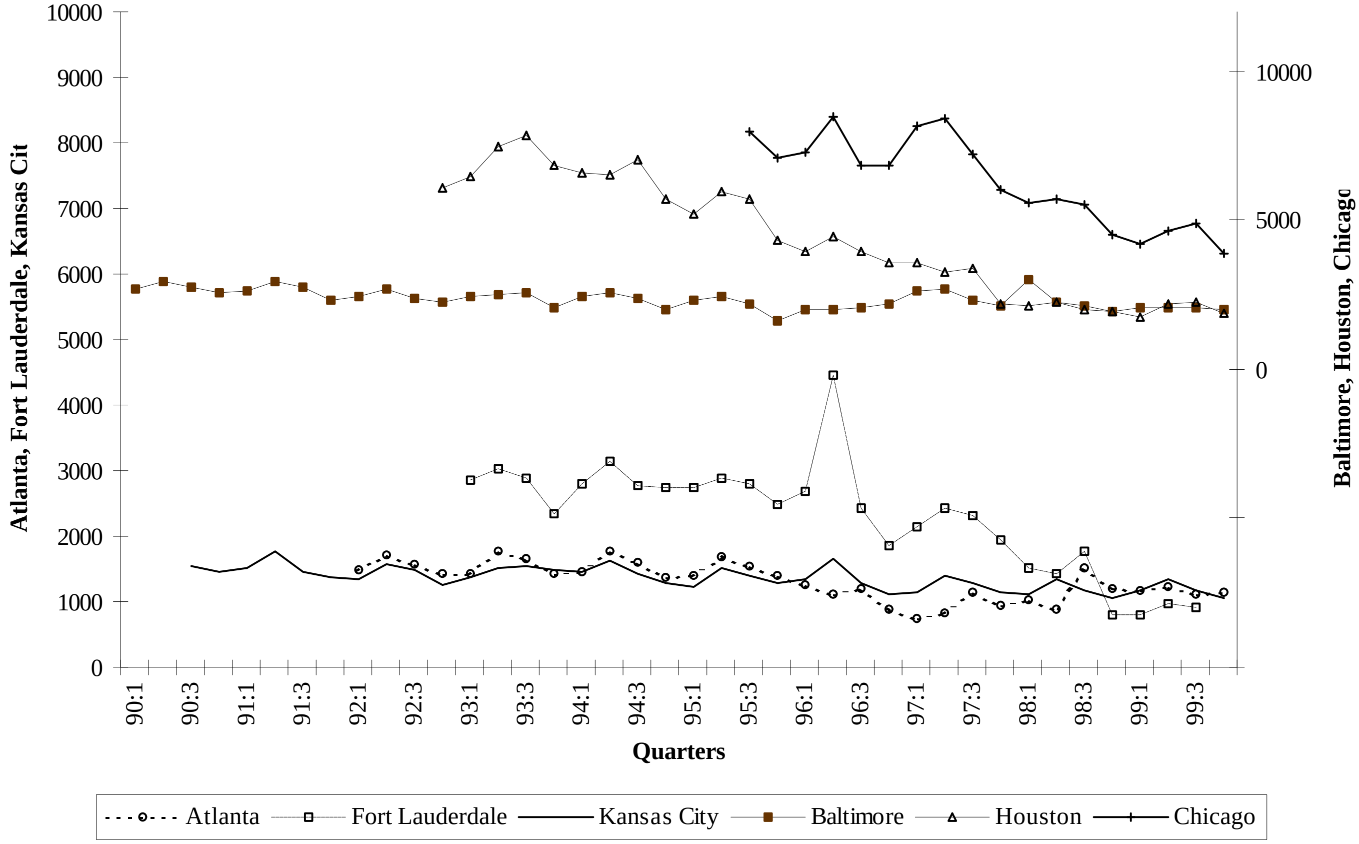


FIGURE 4. NUMBER LEAVING WELFARE

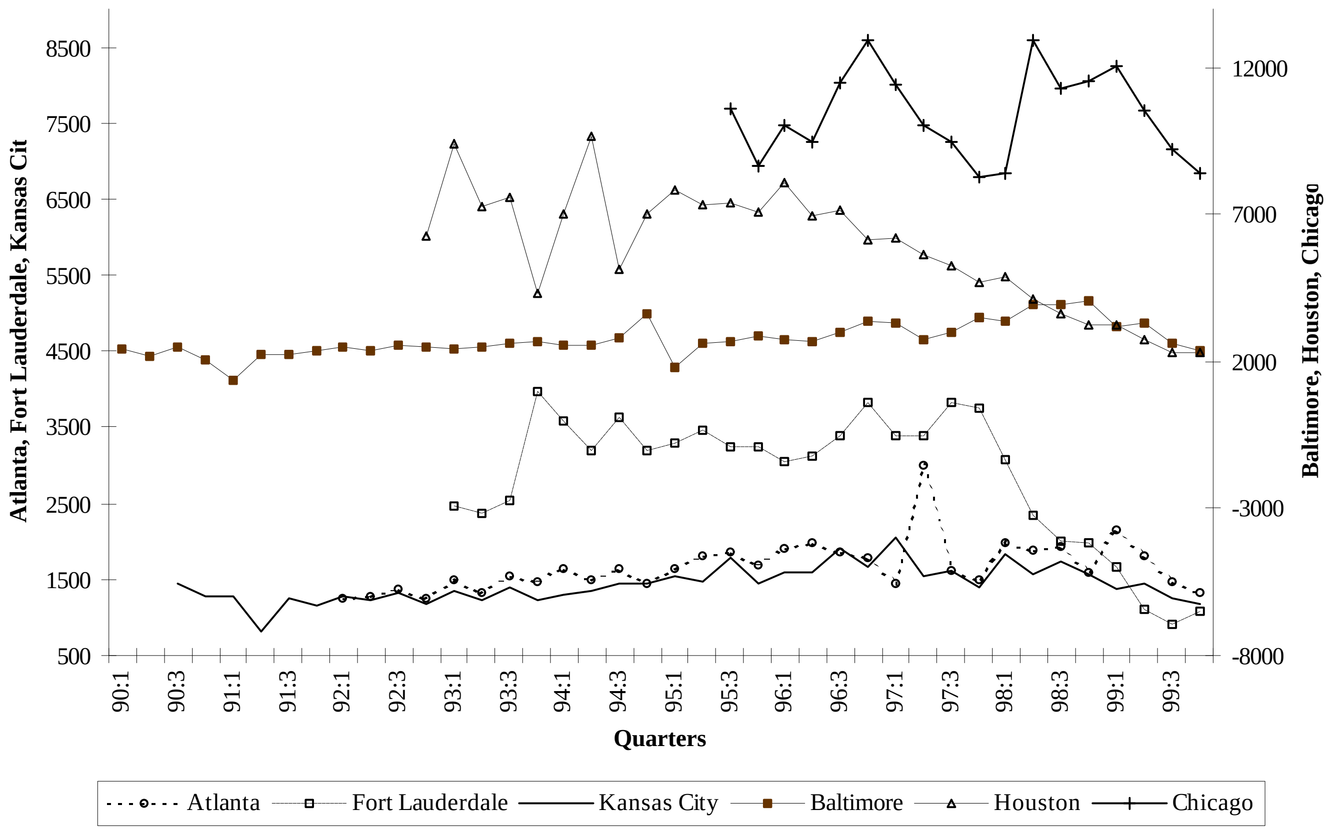
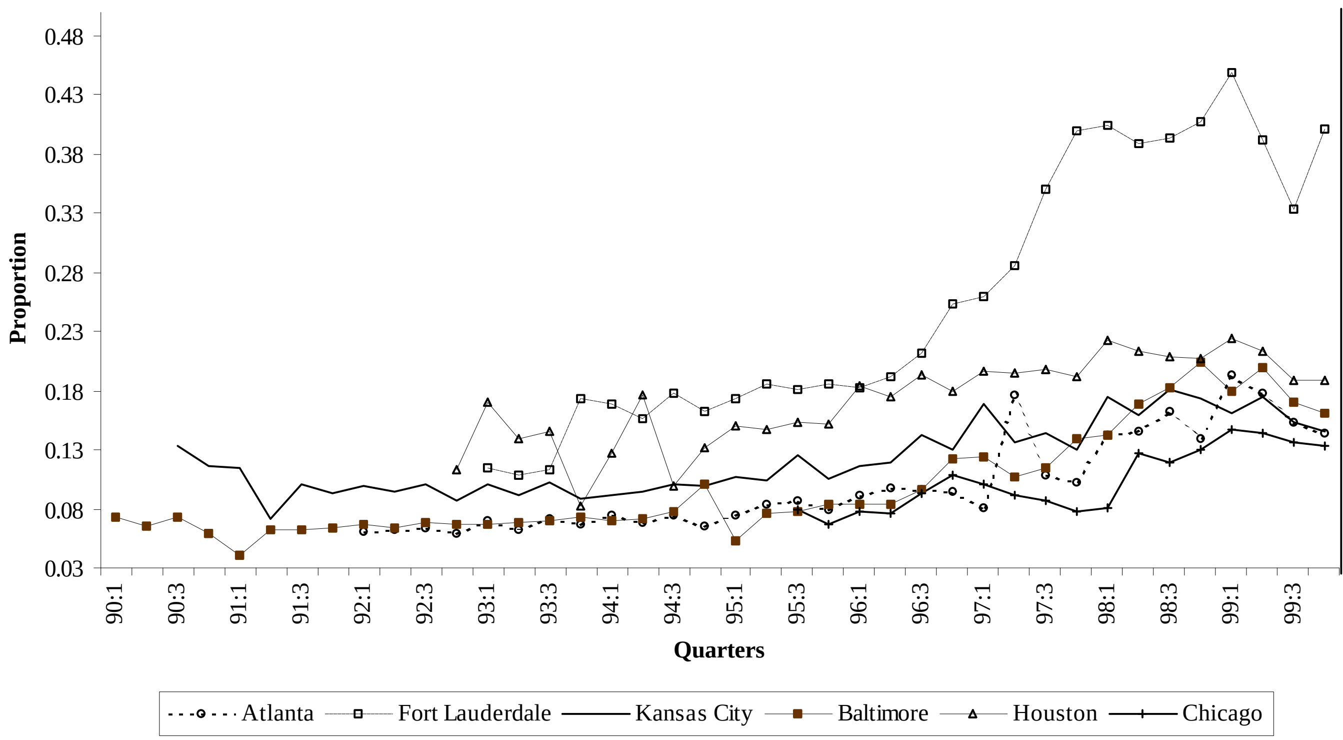


FIGURE 5. OVERALL WELFARE EXIT RATES



mid-1990s (Chicago data are not available before 1995). By the late 1990s, rates in Atlanta and Baltimore were more than 15 percent, while the rate in Chicago was only slightly lower. In contrast, average exit rates in Kansas City in the early to mid-1990s were generally over 10 percent, with the rate exceeding15 percent in the most recent quarter. Houston had an average exit rate in the 10-15 percent range in the early to mid-1990s, with exit rates over 20 percent in the most recent two years. Exit rates in Fort Lauderdale were only slightly higher than most of the other sites in the early 1990s, around 10 percent, but they increased dramatically after 1996, growing to 40 percent in the most recent two years.

Some of these patterns are clearly tied to legislative, policy, and administrative decisions. In Atlanta during the third quarter of 1997, the exit rate increased to 18 percent, from 8 percent in the previous quarter, and then declined to 11 percent in the following quarter. This reflects the fact that all welfare recipients who had not signed personal responsibility agreements were dropped from the rolls in that quarter. Also, the dramatic increase in exit rates in Fort Lauderdale is probably the result of Florida's welfare reform legislation (WAGES), which became effective statewide with the implementation of TANF in October 1996, specifying a maximum limit of two years of welfare receipt in any five-year period.

To what degree have entry and exit patterns contributed to observed declines in caseloads? It is clear that in Fort Lauderdale and Houston, which have the largest caseload declines, exit rates increased more than most other areas. But welfare entries at both these sites also declined dramatically, even before the advent of major diversion initiatives. There seems little doubt that both current and prospective recipients have found alternatives to welfare in these areas. For Chicago, the decline in the number of entries--of more than 50 percent in the period over which we have data--appears more important than an increase in the exit rate, which despite an increase, remains the lowest of the six sites.[11] In contrast, in Atlanta, Baltimore and Kansas City, growth in exit rates was probably more important. Notwithstanding important variation across sites, it is clear that, at all sites, changes in both entries and exit rates contributed to the decline in the caseload.

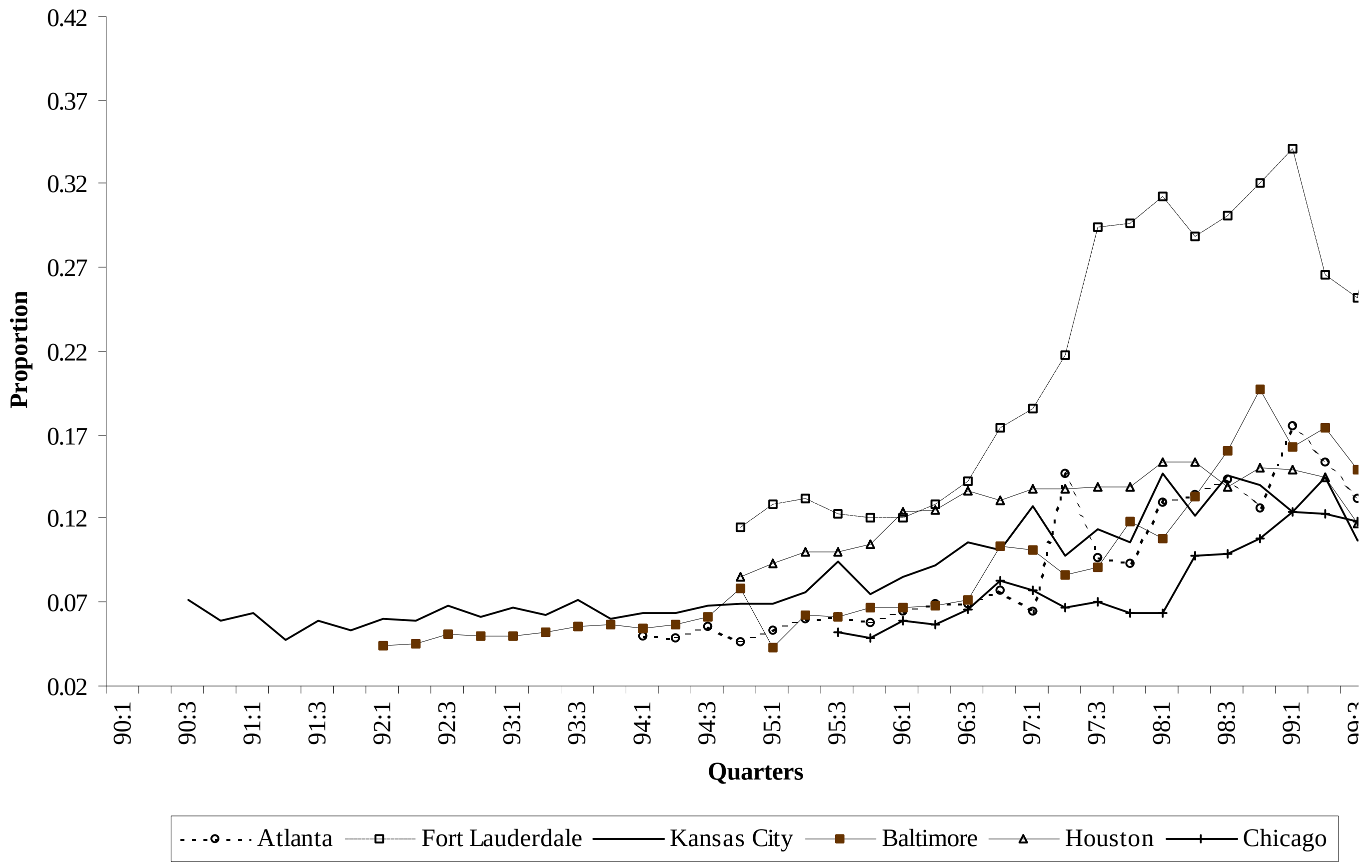
[11]Illinois and Florida have the most generous income disregard policies, which would tend to reduce exits. In Florida, however, stringent time limits undoubtedly overwhelm this effect.

D. Welfare Exit Rates for Long-Term Recipients

Much of the growing concern in the last decade has focused on welfare dependency, i.e., long-term welfare receipt without real work. Programs designed to encourage employment among welfare recipients have frequently specified that long-term recipients be among the first served, and the 1996 federal welfare reform provided explicit time limits for welfare receipt. Figure 6 provides exit rate trends for those individuals on welfare continuously for at least two years.[12] It is clear that exit rates have increased substantially, although the rates are lower than for all welfare recipients. Patterns for Atlanta and Baltimore were very similar, with exit rates for those on welfare for at least two years in the early to mid-1990s approximately 5 percent, but increasing to around 10 percent by 1997. In the next two years, the rates in Atlanta averaged over 14 percent, while those in Baltimore averaged over 15 percent. Kansas City's exit rates for long-term recipients were very similar, although the upward time trend was less pronounced, while exit rates for Chicago followed the same pattern but were generally lower than for any of the other sites. Houston's exit rates were generally higher and also exhibited a substantial increase, from around 10 percent in 1995 to 14 percent in the last two years. Finally, although the exit rates for Fort Lauderdale were substantially higher than those for the other sites in the earlier period, the increase over time is even more dramatic. In the last two years, exit rates for long-term recipients averaged more than 30 percent, twice that of any other site.

[12]For four of the sites, our time series on long-term welfare recipients begins two years later than our other welfare statistics, since the first two years of information must be used to identify length of receipt. In these sites, long-term recipients are those who have received welfare in the specified county continuously for at least two years. The exceptions are Chicago and Kansas City, which provided retrospective information on welfare receipt. Here, an individual is a long-term recipient if she had received welfare in the state continuously for at least two years.

FIGURE 6. EXIT RATES FOR LONG-TERM (TWO YEARS) RECIPIENTS



It is clear that exit rates for long-term recipients have accelerated, suggesting that the special attention focused on this group has borne some fruit. However, it is important to bear in mind that, while increasing, the exit rates for long-term recipients are still lower than for all recipients. Long-term recipients, of course, tend to have less work experience and, in general, greater barriers to employment. There is substantial fear that welfare reform will falter in the face of an increasing number of long-term recipients who cannot be weaned from welfare. Our findings do not support these fears. Figure 7 graphs the proportion of recipients at each of the sites who have received welfare for more than two years. For every site except Chicago, the most recent period has seen a dramatic decline in the number of long-term recipients. In Chicago, the proportion is flat over this period.[13]

There are, it should be noted, substantial differences in that proportion across sites, with Chicago the greatest at 70 percent. Fort Lauderdale has the lowest level and exhibits the greatest decline, beginning with 41 percent long-term recipients at the end of 1994, declining to 15 percent by the end of the period, a pattern undoubtedly reflecting the impact of strict time limits.

E. Recidivism

Given that people are leaving welfare at increasing rates, one possibility is that many may be returning to the rolls within relatively short periods. In the presence of a booming economy one would expect that people entering welfare would be those who have the most difficulty finding jobs, those likely to have been on welfare sometime in the recent past. As a result, the number of reentrants as a percentage of all individuals entering welfare should rise. On the other hand, once time limits on lifetime receipt of welfare take effect, prior recipients might be less likely to enter welfare, either because they have exceeded their allowable time or because they wish to "bank" remaining eligibility.

[13]Moffitt and Stevens (2000) provide one of the few careful discussions of the likely impacts of welfare reform on the composition of welfare recipients, concluding that some provisions of the reform would increase the proportion of disadvantaged recipients, whereas others would reduce it. Their analysis of Maryland data suggests that welfare reform has not induced major changes in recipient composition.

Figure 8 shows the proportion of entries onto welfare who had received welfare at some point in the prior two years for each site. Through the 1990s, the trend is clearly positive at all sites, but in the most recent two years trends differ across sites. In Chicago,

FIGURE 7. PROPORTION OF RECIPIENTS ON WELFARE FOR AT LEAST TWO YEARS

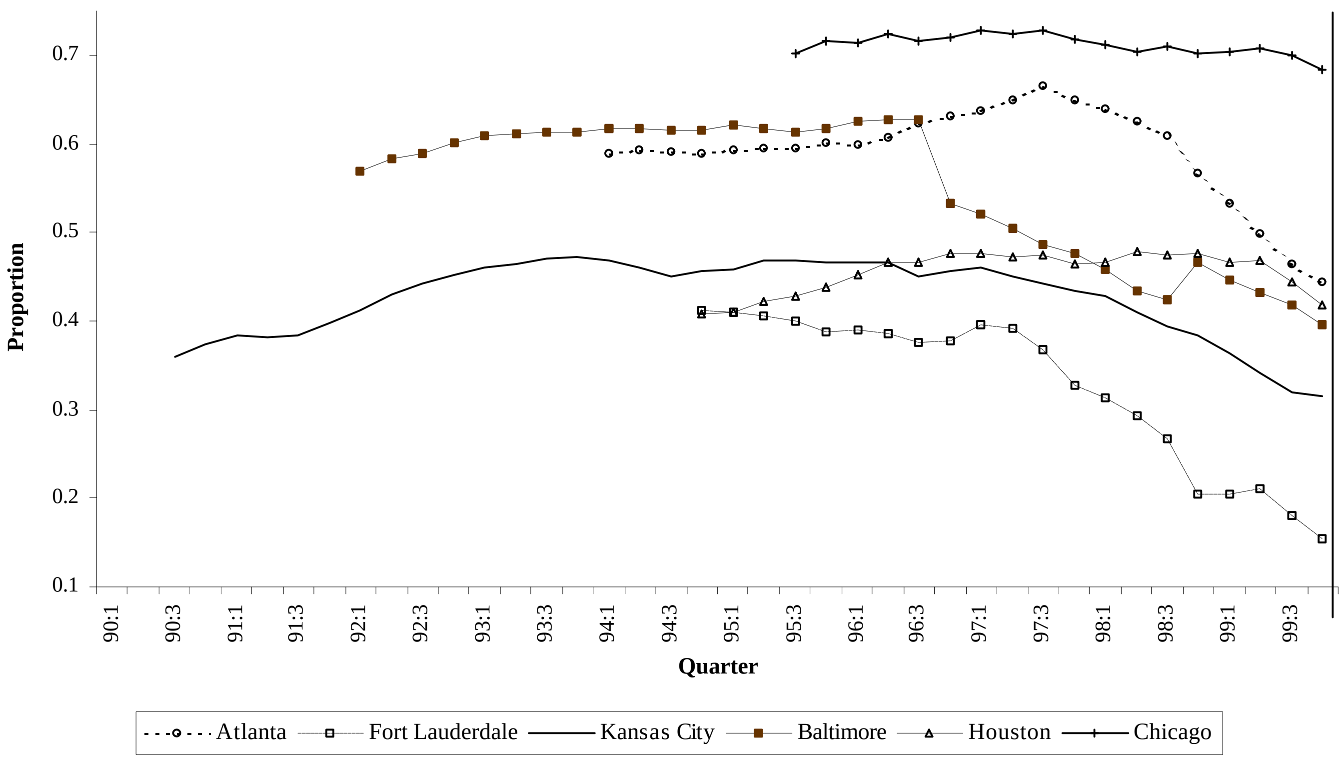
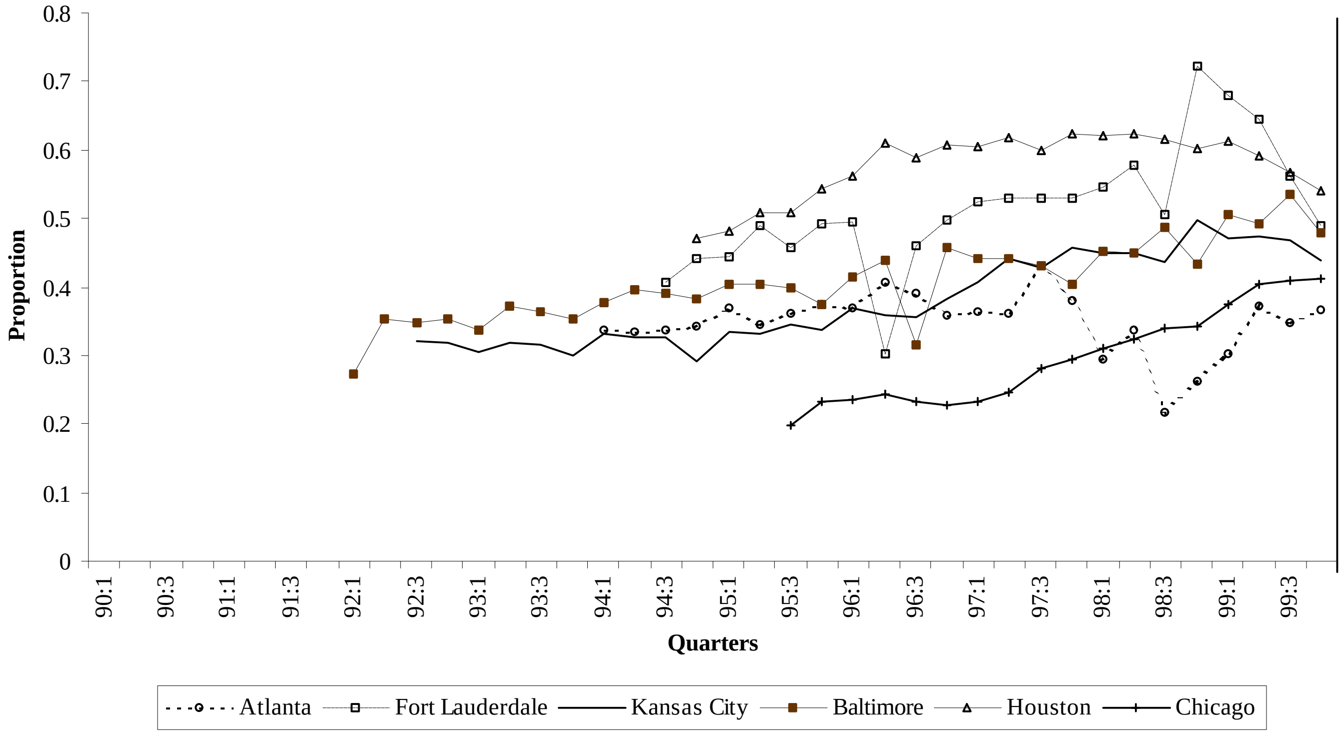


FIGURE 8. PROPORTION OF ENTRIES WHO RECEIVED WELFARE IN THE PREVIOUS TWO YEARS



increases in the proportion of repeat recipients continue in last two years. Although the trend in Baltimore is more variable and that in Kansas City less strong, these continue to be increasing in the last two years. Patterns over the last two years for Atlanta and Fort Lauderdale are irregular, while Houston reverses the earlier pattern, showing a moderate decline.

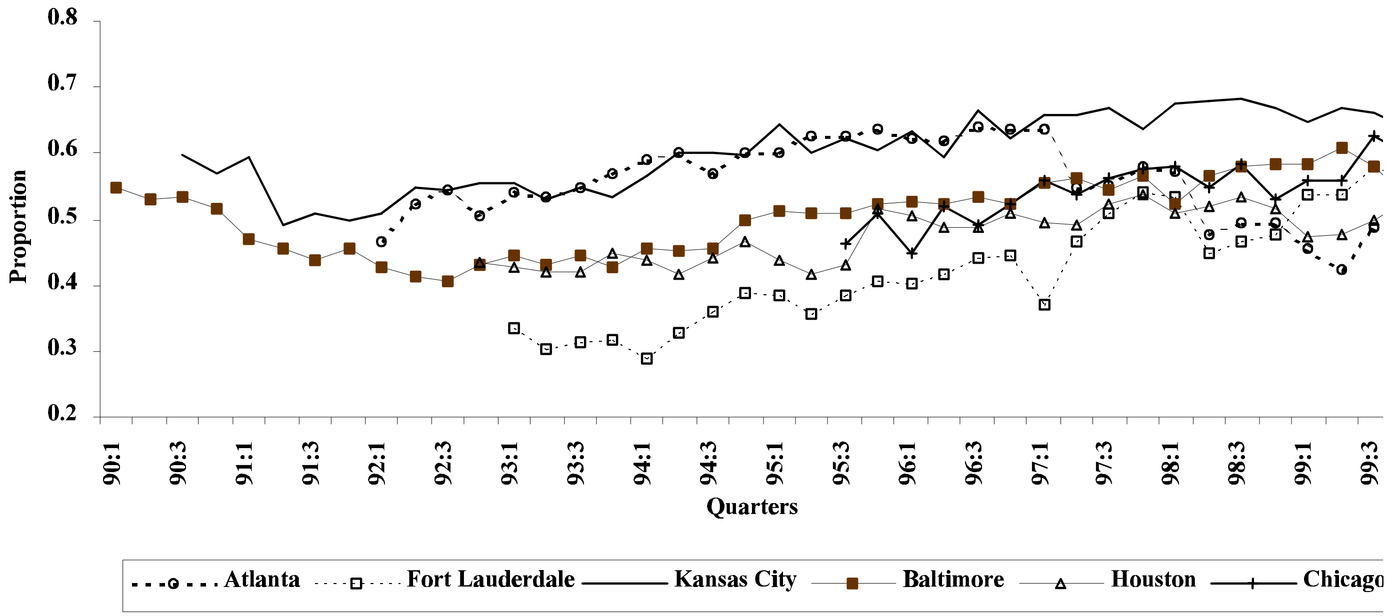
F. Welfare-to-Work Transition Profiles

The focus on work as an alternative to welfare is a striking element of the reforms of the past decade. Do recent caseload declines reflect increasingly attractive employment opportunities made available or accessed by new programs that provide job skills to welfare recipients in a strong economy? The alternative possibility is that reforms have operated primarily by pushing individuals from the rolls with little regard for their employment prospects. Of course, these explanations are not fully distinct conceptually, and distinguishing between them is not easy in practice. Since sanctions are a part of many programs designed to encourage and support employment, even successful job programs may rely on coercion to some degree. Equally important, even if individuals are forced from the welfare rolls with little support and poor prospects, a portion would doubtless obtain employment anyway.

Employment levels and changes in those levels for individuals leaving welfare give an important indication of the role played by employment in recent caseload declines. Figure 9 presents trends in the number of recipients who discontinue a welfare spell and are employed or become employed, as a proportion of those exiting the welfare rolls.[14] This proportion is initially highest in Atlanta and Kansas City, with Baltimore, Chicago and Houston somewhat lower, and Fort Lauderdale appreciably lower until the last two years. In each of these sites, the proportion has increased over all but the last two years. We observe a substantial decline in the employment level in Atlanta early in 1997, while in the other sites we see that there is little or no change.

[14]Of those who receive welfare in quarter T but not T+1, this is the proportion who are employed in quarter T+1.

FIGURE 9. EMPLOYMENT RATES FOR WELFARE LEAVERS



These trends are consistent with the view that through most of the 1990s, individuals have been attracted or deflected from welfare by employment opportunities. Alternatively, if individuals were forced to leave welfare, efforts to obtain jobs for them have been at least somewhat successful.

One may wonder whether differences in levels of employment across sites identify differences in economic growth. Returning to Figure 1, we see that unemployment rates in Fort Lauderdale are not appreciably higher than those in four of the other sites. Furthermore, during the last two years, when Fort Lauderdale welfare leavers' employment rates increase to the levels in other sites, overall unemployment in Fort Lauderdale is among the highest. It seems unlikely that differences in labor market are the primary reason for variation across sites in employment rates of those leaving welfare.

Returning to the patterns in the caseload, it would appear that the dramatic declines in the Fort Lauderdale and Houston welfare rolls reflect increasingly stringent standards rather than improved job opportunities. The welfare reform in Florida is of clear importance, and major changes in the administration of the program in Texas may have been critical in forcing recipients from welfare. The patterns we observed for Houston do not suggest that these administrative changes reduced the welfare caseload by accessing better job opportunities for welfare recipients. On the other hand, the fact that employment rates for welfare leavers did not decline at a time of dramatic caseload declines may well be viewed in positive terms.[15] Atlanta appears to be the only site where welfare policy changes have clearly led to the departure of recipients who had serious difficulty obtaining jobs. The appreciable decline in welfare leavers' employment rates corresponds to implementation of TANF and state welfare reform.

[15]It should be noted that the most important changes in the formal policy governing Houston's welfare system did not take effect until late 1997. But the "mood" was certainly changing in prior years, as signaled by these administrative milestones.

Another comparison may be useful in gauging the extent to which departures are a function of labor market opportunities. Figure 10 reports the proportion of individuals who leave welfare among those who are employed.[16] There appears to have been substantial increase in this figure at all the sites. Levels and increases are somewhat higher in Houston and much greater in Fort Lauderdale. Nearly 35 percent of employed individuals in Houston exit welfare in a given quarter, and the number is over 50 percent for Fort Lauderdale. This contrasts with employed exit rates at the other sites that are generally in the range 17-30 percent. Of course, these exits from welfare reflect in part the fact that anyone who obtains a job that pays well enough will become ineligible for welfare. For Houston, the initial eligibility threshold is low compared to the other sites (see Table 3), so only low levels of earnings are consistent with welfare receipt, and the maximum benefits are also low, so retaining eligibility is of relatively little value. Such factors do not explain the very high departure rates in Fort Lauderdale, since, if anything, the rules would imply that welfare is compatible with higher earnings than in Houston.

One additional measure attempts to gauge the extent to which individuals who obtain jobs are nonetheless individuals who are forced off of welfare. Among those who left welfare and were employed, a portion received no earnings in the last quarter in which they received welfare payments. This group is of interest because it identifies individuals who almost certainly experienced a "support gap" between the time they discontinued welfare and the time since they began employment.[17] If such individuals are a growing share of those exiting welfare who have jobs, this suggests that shifts in the stringency of welfare standards are forcing people off welfare and into employment. In contrast, if this proportion is not growing, it suggests that most of those who are employed may have found employment opportunities more attractive than cash assistance.

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[16]In Figure 10, the population at risk is all those meeting our criteria who are welfare recipients at time T and are employed at T+1. The proportion of these who are not receiving welfare payments in time T+1 is the welfare exit rate for this group.

[17]These individuals are defined as those receiving welfare in quarter T but not in T+1, and employed in quarter T+1 but not T and so excludes any individual whose employment and welfare receipt overlap. The only case where a person would be in this group but would not experience a support gap would be if the last welfare check was received in the third month of one quarter and employment began immediately at the start of the next quarter.

FIGURE 10. WELFARE EXIT RATES FOR EMPLOYED RECIPIENTS

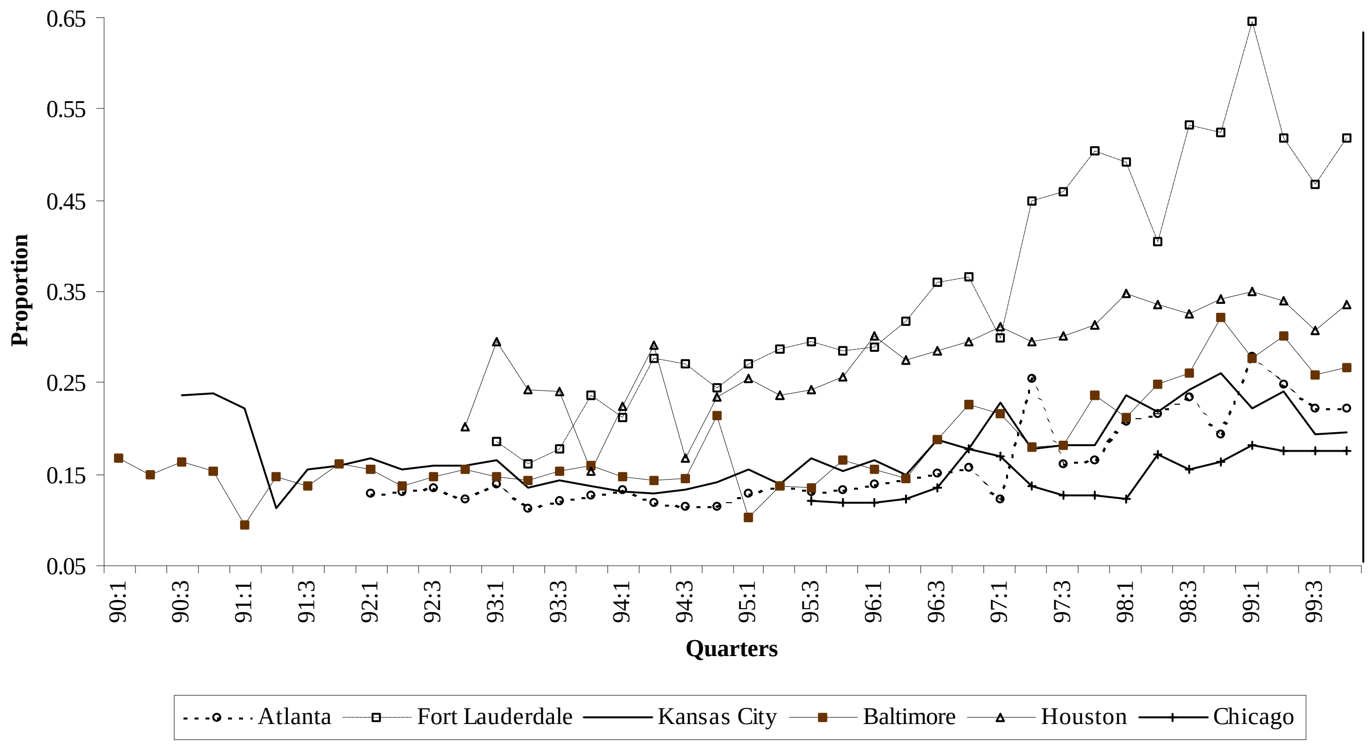
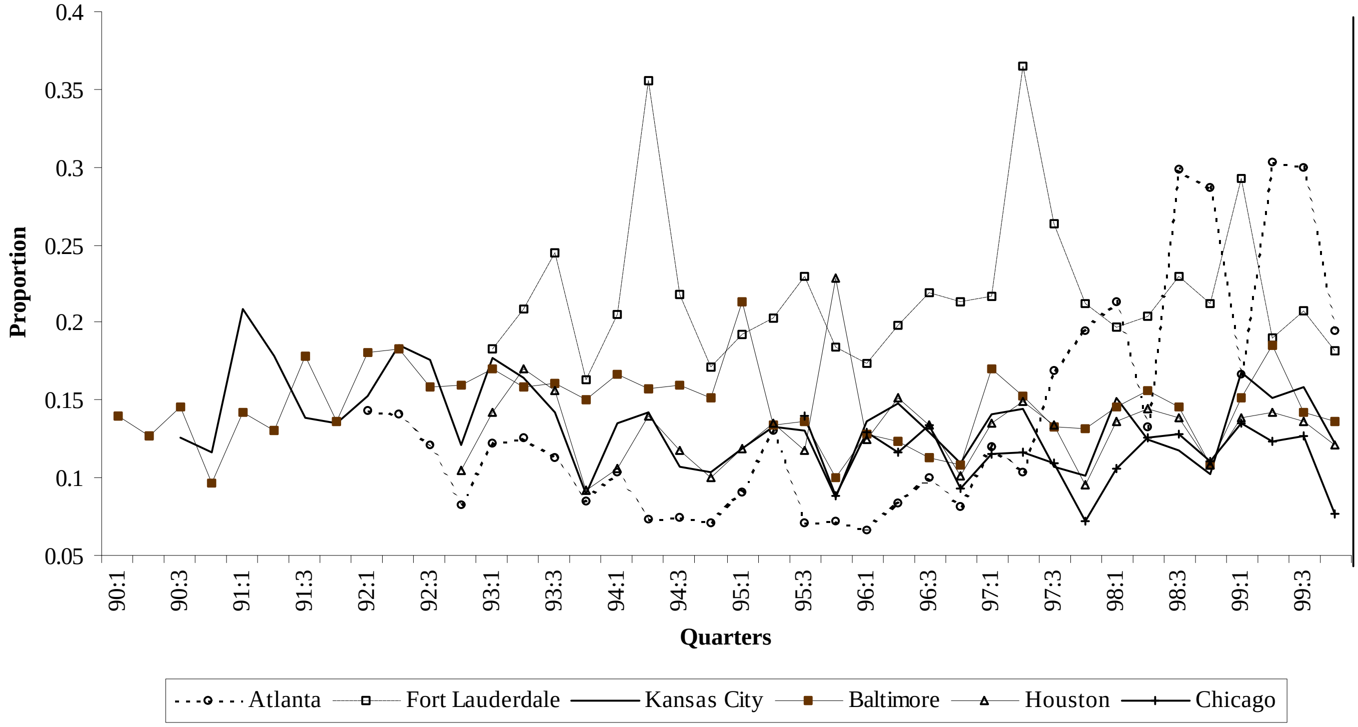


Figure 11 shows the proportion, among those leaving welfare and who have jobs in the following period, who very likely experienced a support gap. Although the measure is not altogether stable, it is clear that this proportion is much higher for Fort Lauderdale than for the other sites. It also increases dramatically in Atlanta in the final two years of our period, exceeding that in Fort Lauderdale. This supports the view that employment rates for welfare leavers in those sites reflect, at least in part, an increase in the number of individuals who are pushed off of welfare, yet who ultimately find jobs. For the other sites, the proportions show very little trend. This supports the view that even as exits from welfare accelerate, these sites have continued to facilitate relatively successful welfare-to-work transitions for those leaving welfare.

FIGURE 11. PROPORTION OF EMPLOYED EXITS WITH SUPPORT GAP



Conclusion and Implications

The relationships identified here provide a window into the dynamics underlying the dramatic decline in welfare caseloads over the past decade. The public policy emphasis on moving welfare recipients into jobs is reflected in observed figures, with an increasing number of those who leave welfare reporting earnings in the following quarter. On the other hand, it is clear that employment is not the only path off of welfare, and it still remains the case that a large portion of those who leave welfare do not appear to obtain jobs. Although our earnings data miss certain kinds of employment, including employment outside the state, such employment clearly accounts for only a small share of those leaving welfare.

The impact of state policies is clearly reflected in the patterns of welfare receipt and employment that we observe. There is little doubt that Florida's time limits were important in inducing the dramatic movements off of the rolls, which long-term residents leaving at remarkably high rates. Atlanta's implementation of TANF appears to have signaled a major shift in state policy, and although caseload declines are not as great there, the statistics show the impact on employment of a much harsher set of policies. The results in both these sites suggest that the goal of assuring that former recipients obtain employment has suffered as policies that reduce the caseload are implemented.

Nonetheless, looking across all sites, although TANF implementation induced more dramatic declines in the caseload than prior policy changes, the employment position of leavers does not appear to have suffered much. The reforms were undoubted helped by the continued strong economy, but it is clear that policy changes played the primary role. Viewed in terms of their impact on both caseloads and the employment of former recipients, they can be judged a success.

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